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DIFFER GROUP HOLDING COMPANY LIMITED

鼎豐集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 6878)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF A LAND PLOT IN FUJIAN PROVINCE

THE ACQUISITION

The Board is pleased to announce that, on 11 February 2020, the Project Company and the Vendor entered into the Land Use Rights Grant Contract in relation to the Acquisition. On 19 January 2020, the Project Company successfully bid the land use right of the Land Plot at the Consideration of RMB390,700,000 (equivalent to approximately HK\$434,111,111). The Confirmation Letter was entered into by the Project Company and the Vendor on the same day to confirm the successful bidding of the Land Plot, subject to execution of the Land Use Rights Grant Contract. Pursuant to the Confirmation Letter, the Land Use Rights Grant Contract in respect of the Acquisition should be signed within 10 PRC Business Days (i.e. 6 February 2020) of the Confirmation Letter. However, due to the recent outbreak of coronavirus pneumonia in the PRC, the signing of the Land Use Rights Grant Contract was delayed.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and the Acquisition is subject to the reporting and announcement requirements under the Listing Rules.

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DETAILS OF THE LAND PLOT

The Land Plot is located at South Side of Second Ring Road, West Side of West Ring Road (二環路南側，西環路西側), Lincheng Town, Shanghang County, Fujian Province, the PRC*, with a total site area of 52,221 sq.m.. The Land Plot shall be used for residential purposes for 70 years and commercial purposes for 40 years.

CONSIDERATION

The Consideration is RMB390,700,000 (equivalent to approximately HK\$434,111,111) and will be settled in the following manner:

- a. an amount of RMB63,810,000 (equivalent to approximately HK\$70,900,000), had been paid by the Project Company and will be applied towards settling part of the Consideration;
- b. an amount of RMB131,540,000 (equivalent to approximately HK\$146,155,556) shall be payable within 30 days of the date of the Land Use Rights Grant Contract; and
- c. the remaining balance of the Consideration, being RMB195,350,000 (equivalent to approximately HK\$217,055,556), shall be payable within 180 days of the date of the Land Use Rights Grant Contract.

In assessing the Consideration, the Company has considered the location and size of the Land Plot and the prevailing market conditions.

The Consideration has been and will be equally funded by the two shareholders of the Project Company, namely (i) Xiamen Differ; and (ii) Quanzhou Runyu.

Information of the Vendor

The Vendor is a local PRC government authority, which is in charge of, among other things, the sale of land use rights of land plots in Shanghang County, Fujian Province, the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the ultimate controller of the Vendor is the PRC government.

Reasons for and benefits of the Acquisitions

The Group is principally engaged in the (i) assets management business (including investments in properties, equities and distressed assets), (ii) provision of finance lease services and (iii) provision of financial services (including mainly financial consultancy services, express loan services, guarantee services) and supply chain trading business.

As disclosed in the interim report of the Company for 2019, the Group considers the asset management business to be its key growth driver. The Group continued its business strategy and is continuously looking for value assets in the PRC.

The Land Plot is expected to be developed into a residential and commercial complex, with offices, cinema, restaurants and residential units. The Board, having considered the overview of the economy of the areas where the Land Plot is located at the material time, believes that the Acquisition will offer a valuable business opportunity and brings synergy effect to the Company and its Shareholders as a whole.

The Board believes that the Acquisition is in the interests of the Group and the Shareholders as a whole as the Acquisition represents a strategic expansion of the Group's asset management segment in line with the Group's general business strategy. Based on the above, the Board is of the view that the Acquisition (including the Consideration) is fair and reasonable and that the entering into of the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition, exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company and the Acquisition is subject to the reporting and announcement requirements under the Listing Rules

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Acquisition”	the acquisition of the land use right of the Land Plot pursuant to the successful bid by the Project Company
“associate”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Differ Group Holding Company Limited (鼎豐集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board (Stock Code: 6878)
“Confirmation Letter”	the confirmation letter entered into between the Project Company and the Vendor confirming the successful bid of the Land Plot at the Consideration by the Project Company
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	RMB390,700,000 (equivalent to approximately HK\$434,111,111) to be paid by the Project Company to the Vendor for the Acquisition
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	any person or company and their respective shareholders, ultimate beneficial owners (if applicable) and associate(s) which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties independent of the Company and its connected person, and the term “Independent Third Party” shall be construed accordingly

“Land Plot”	a parcel of land located at the South Side of Second Ring Road, West Side of West Ring Road* (二環路南側，西環路西側), Lincheng Town, Shanghang County, Fujian Province, the PRC, with a total land area of 52,221 sq.m.
“Land Use Rights Grant Contract”	the land use rights grant contract (國有建設用地使用權出讓合同) entered into between the Project Company and the Vendor for state-owned construction land use right assignment in respect of the Land Plot (國有建設用地使用權出讓合同)
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Main Board”	Main Board of the Stock Exchange
“PRC”	the People’s Republic of China excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Business Day”	means a day on which licensed banks in the PRC are generally open for business (other than a Saturday or Sunday or public holiday in the PRC)
“Project Company”	Xiamen Ding Feng Sheng Enterprise Management Co., Ltd* (廈門鼎豐盛企業管理有限公司), a company incorporated in the PRC with limited liability, owned (i) 50% by Xiamen Differ; and (ii) 50% by Quanzhou Runyu
“Quanzhou Runyu”	Quanzhou Runyu Real Estate Development Co., Ltd* (泉州潤宇房地產開發有限公司), a company incorporated in the PRC with limited liability and an Independent Third Party of the Company
“Share(s)”	the ordinary Share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Shanghang County Natural Resources Bureau* (上杭縣自然資源局), a local PRC government authority, which is responsible for, among other things, the sale of land use rights of land plots in Shanghang County, Fujian Province, the PRC

“Xiamen Differ”	Xiamen Differ Cultural Tourism Group Co., Ltd* (廈門鼎豐文化旅遊集團有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of PRC
“sq.m.”	square meter
“%”	per cent

By order of the Board
Differ Group Holding Company Limited
HONG MINGXIAN
Chairman and Executive Director

Hong Kong, 11 February 2020

* *for identification purposes only*

In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1: RMB0.9. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the above exchange rate or any other rates.

As at the date of this announcement, the executive Directors are Mr. HONG Mingxian and Mr. NG Chi Chung; the non-executive Directors are Mr. CAI Huatan and Mr. WU Qinghan; and the independent non-executive Directors are Mr. CHAN Sing Nun, Mr. LAM Kit Lam and Mr. CHEN Naïke.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.